

**DARLENE GREEN**  
Comptroller



OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS

*Internal Audit Section*



✓  
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October 27, 2006

Tom Schweizer  
Interim Executive Director  
St. Louis Efforts for AIDS, Inc.  
1027 Vandeventer, Suite 700  
St. Louis, MO 63108

RE: Fiscal Monitoring Report of St. Louis Efforts for AIDS, Inc.- Ryan White Care Act  
(Title I), Contracts #HD-04-33 & #HD-04-35 (Project # 2007-DHH7)

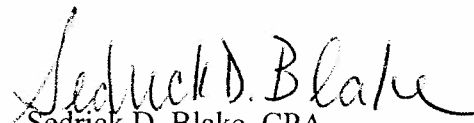
Dear Mr. Schweizer:

Enclosed is a report of our fiscal monitoring review of St. Louis Efforts for AIDS, Inc. Ryan White Care Act (Title I) for the period March 1, 2004 through February 28, 2005.

The scope of a fiscal monitoring review is substantially less than audit, and as such, we do not express an opinion on the financial operations of St. Louis Efforts for AIDS, Inc. Our fieldwork was completed on October 13, 2006.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and through an agreement with the Department of Health and Hospitals (DOHH) to provide fiscal monitoring to all grant sub recipients. If you have any questions, please contact Charlie Schroeder at (314) 589-6089.

Respectfully,

  
Sedrick D. Blake, CPA  
Internal Audit Executive

cc: Honorable Darlene Green, Comptroller  
Dr. William Kincaid, Director, City of St. Louis Department of Health  
Melba Moore, Health Commissioner, City of St. Louis Department of Health



# CITY OF ST. LOUIS

*DEPARTMENT OF HEALTH (DOH)*

*ST. LOUIS EFFORTS FOR AIDS, INC.  
RYAN WHITE CARE ACT (TITLE 1)  
EARLY INTERVENTION/OUTREACH SERVICES &  
TARGETED CASE MANAGEMENT  
PSYCHO-SOCIAL SUPPORT SERVICES  
CONTRACTS #HD-04-33 AND #HD-04-35*

*FISCAL MONITORING REVIEW*

*MARCH 1, 2004 THROUGH FEBRUARY 28, 2005*

*PROJECT #2006-DHH7*

*DATE ISSUED: OCTOBER 27, 2006*

*Prepared by:  
The Internal Audit Section*



## OFFICE OF THE COMPTROLLER

*Honorable Darlene Green, Comptroller*

**CITY OF ST. LOUIS  
DEPARTMENT OF HEALTH AND HOSPITALS  
ST. LOUIS EFFORTS FOR AIDS, INC.  
RYAN WHITE CARE ACT (TITLE I)  
EARLY INTERVENTION/OUTREACH SERVICES & TARGETED CASE  
MANAGEMENT  
PSYCHO-SOCIAL SUPPORT SERVICES  
CONTRACTS #HD-04-33 & #HD-04-35  
FISCAL MONITORING REVIEW  
MARCH 1, 2004 THROUGH FEBRUARY 28, 2005**

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**CITY OF ST. LOUIS  
DEPARTMENT OF HEALTH AND HOSPITALS  
ST. LOUIS EFFORTS FOR AIDS, INC.  
RYAN WHITE CARE ACT (TITLE I)  
EARLY INTERVENTION/OUTREACH SERVICES & TARGETED CASE  
MANAGEMENT  
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CONTRACTS #HD-04-33 & #HD-04-35  
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**INTRODUCTION**

**Background**

**Contract Name:** St. Louis Efforts for AIDS, Inc.-Ryan White Care Act (Title I)

**Contract Number(s):** #HD-04-33 & #HD-04-35

**Contract Period (s):** March 1, 2004 through February 28, 2005

**Contract Amount(s):** \$75,000 & \$50,000

The Ryan White Care Act Title I contract provided funds from the Health Resources and Services Administration (HRSA) through the Department of Health and Hospitals. These funds were used by St. Louis Efforts for AIDS, Inc. to provide Early Intervention/Outreach Services & Targeted Case Management and Psycho-Social Support Services for HIV-positive African Americans.

**Purpose**

The purpose of this fiscal monitoring review was to determine St. Louis Efforts for AIDS, Inc.'s compliance with federal, state, and local Department of Health and Hospitals (DOHH) requirements for the period March 1, 2004 through February 28, 2005 for the contracts #HD-04-33 & #HD-04-35 and make recommendations for improvements.

**Scope and Methodology**

We made inquiries regarding St. Louis Efforts for AIDS, Inc.'s internal controls relating to the Ryan White Care Act (Title I) grant administered by the Department of Health and Hospitals (DOHH), tested evidence supporting the reports the Agency submitted to DOHH and performed other procedures considered necessary. Our fieldwork was completed on October 13, 2006. Management's response was received on October 25, 2006 and incorporated into this report.

**CITY OF ST. LOUIS  
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**CONCLUSION AND SUMMARY OF OBSERVATIONS**

**Conclusion**

Although we found no evidence to indicate that St. Louis Efforts for AIDS, Inc. did not comply with federal, state regulations and local DOHH requirements, we believe that the Agency's internal controls may be improved as suggested in our observation.

**Status of Prior Observations**

The Agency's most recent fiscal monitoring report dated February 11, 2003 identified the four observations. The observations and its current status are as follows:

- 1) Failure to adequately document requests for reimbursement (**Resolved**).
- 2) The Agency did not have an A-133 audit performed timely (**Resolved**).
- 3) The Agency has no written procurement policy (**Resolved**).
- 4) The Agency did not have adequate bonding insurance (**Resolved**).

**A-133 Status**

St. Louis Efforts for AIDS, Inc.'s A-133 audit report for the year ended December 31, 2005 was issued April 27, 2006. There were no reportable conditions or audit findings noted by the external auditors. IAS reviewed this report and recommended it be accepted with no further action taken.

**Summary of Current Observations**

We made a recommendation for the following observation, which if implemented, could assist St. Louis for AIDS, Inc. in complying with federal, state regulations and local DOHH requirements:

- Opportunity to Improve Controls over Disbursement Checks.

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**DETAILED OBSERVATIONS, RECOMMENDATIONS, AND  
MANAGEMENT'S RESPONSES**

**OPPORTUNITY TO IMPROVE CONTROLS OVER DISBURSEMENT CHECKS**

Good internal controls suggest two signatories on the checks issued to ensure assets are safeguarded adequately. The Agency has three approved signatories on its checking account but requires only one signature on checks. Various checks issued to vendors and payroll checks were signed solely by the Executive Director of the Agency. Requiring at least two signatories on the checks will improve control over expenditures.

**Recommendation**

We recommend that the all disbursement checks be signed by at least two officers of the Agency.

**Management Response**

*We appreciate your recommendation concerning dual signatures on disbursement checks. Currently our internal policy allows single signatures on such checks. In addition we have other checks and balances in place. Next year we will be review(ing) our fiscal policies and consider your recommendation at the time. Thank you for your input and continued support.*